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KING COUNTY, WA

Please print or type information **WASHINGTON STATE RECORDER'S Cover Sheet** (RCW 65.04)

Document Title(s) (or transactions contained therein): (all areas applicable to your document must be filled in)

1. **Ordinance 18604 AN ORDINANCE authorizing the vacation of a portion of 13th Avenue SW and 14th Avenue SW, Seattle, File V-2703; Petitioners: King County department of natural resources and parks, parks and recreation division.**

Reference Number(s) of Documents assigned or released:

Additional reference #'s on page _____ of document

Grantor(s) (Last name, first name, initials)

1. **King County, Washington**

Additional names on page _____ of document.

Grantee(s) (Last name first, then first name and initials)

1. King County, Washington

2. _____, _____

Additional names on page _____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)

That portion of 13th Avenue SW lying between Blocks 31 and 32, and lying south of the...

Additional legal is on page _____ of document.

Assessor's Property Tax Parcel/Account Number

7973202900

Assessor Tax # not yet assigned

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

Signature of Requesting Party



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

November 7, 2017

Ordinance 18604

Proposed No. 2017-0322.2

Sponsors McDermott

1 AN ORDINANCE authorizing the vacation of a portion of
2 13th Avenue SW and 14th Avenue SW, Seattle, File V-
3 2703; Petitioners: King County department of natural
4 resources and parks, parks and recreation division.

5 STATEMENT OF FACTS:

- 6 1. A petition has been filed requesting vacation of a portion of 13th
7 Avenue SW and 14th Avenue SW, between SW 102nd Street and SW
8 104th Street, hereinafter described.
- 9 2. The department of transportation notified utility companies serving the
10 area and King County departments of the proposed vacation and has been
11 advised that easements are not required within the vacation area.
- 12 3. The department of transportation records indicate that King County has
13 not expended public funds for the maintenance of the portions of 13th
14 Avenue SW and 14th Avenue SW as part of the King County road system.
- 15 4. The department of transportation considers the subject portion of right
16 of way useless as part of the county road system and believes the public
17 would benefit by vacation of the right of way for full and complete
18 incorporation into the department of natural resources and parks, parks
19 and recreation division's Steve Cox Memorial park.

20 5. The department of transportation determined that, pursuant to K.C.C.
21 14.40.020, it was appropriate to waive compensation for this road
22 vacation. The department of natural resources and parks, parks and
23 recreation division, owns all property surrounding the subject right of way
24 and the right of way is currently used as part of Steve Cox Memorial park
25 for ball fields, buildings, parking area and park improvements. The right
26 of way and all surrounding property is currently and will continue serving
27 the purpose of the citizenry of King County as a part of the Steve Cox
28 Memorial park.

29 6. Due notice was given in the manner provided by law. The office of the
30 hearing examiner held the public hearing on September 25, 2017. The
31 examiner concluded that the road segment subject to this petition is not
32 useful as part of the King County road system, that the public will benefit
33 from its vacation, and that a complete waiver of compensation to the Road
34 Fund is likely acceptable.

35 7. In consideration of the benefits to be derived from the subject vacation,
36 the council has determined that it is in the best interest of the citizens of
37 King County to grant said petition.

38 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

39 SECTION 1. The council, on the effective date of this ordinance, hereby vacates
40 and abandons the portion of 13th Avenue SW and 14th Avenue SW as conveyed to King
41 County by the recording of the Plat State Addition to the City of Seattle Number 5,
42 recorded in volume 17 of plats, page 79, records of King County Washington, as

43 described below:

44 That portion of 13th Avenue SW lying between Blocks 31
45 and 32, and lying south of the south right of way line of
46 SW 102nd Street and north of the north right of way line of
47 SW 104th Street, per Plat of State Addition to the City of
48 Seattle Number 5, as recorded in volume 17 of plats, page
49 79, records of King County, Washington.

50 Together with that portion of 14th Avenue SW lying
51 between Blocks 30 and 31, and lying south of the south
52 right of way line of SW 102nd Street and north of the north
53 right of way line of SW 104th Street, per Plat of State
54 Addition to the City of Seattle Number 5, as recorded in
55 volume 17 of plats, page 79, records of King County,
56 Washington.

57 All situate in the SW 1/4 of the NW 1/4 of Section 6,
58 Township 23, North, Range 4 East, W.M., King County,

59 Washington. Containing an area of 72,211.45 square feet,
60 more or less.
61

Ordinance 18604 was introduced on 8/14/2017 and passed by the Metropolitan King County Council on 11/6/2017, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0



KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

J. Joseph McDermott, Chair

KING COUNTY COUNCIL
CLERK

2017 NOV 17 PM 3:50

RECEIVED

Melani Pedroza, Clerk of the Council

APPROVED this 16TH day of NOVEMBER, 2017.

DOW CONSTANTINE FOR

Dow Constantine, County Executive

Attachments: A. Map, B. Hearing Examiner Report Dated October 3, 3017

October 3, 2017

**OFFICE OF THE HEARING EXAMINER
 KING COUNTY, WASHINGTON**
 King County Courthouse
 516 Third Avenue Room 1200
 Seattle, Washington 98104
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REPORT AND RECOMMENDATION

SUBJECT: Department of Transportation file no. **V-2703**
 Proposed ordinance no. **2017-0322**
 Adjacent parcel no. **7973202900**

KC DEPARTMENT OF NATURAL RESOURCES AND PARKS
 Road Vacation Petition

Location: Portion of 13th and 14th Avenues SW, Seattle

Petitioner: Parks and Recreation Division
 Department of Natural Resources and Parks
*represented by **Trishah Bull***
 King Street Center
 201 S Jackson Street Room 700
 Seattle, WA 98104
 Telephone: (206) 477-3929
 Email: trishah.bull@kingcounty.gov

King County: Department of Transportation
*represented by **Leslie Drake***
 201 S Jackson Street
 Seattle, WA 98104
 Telephone: (206) 477-7764
 Email: leslie.drake@kingcounty.gov

SUMMARY OF RECOMMENDATIONS:

Department's Preliminary Recommendation:
 Department's Final Recommendation:
 Examiner's Recommendation:

Approve
 Approve
 Approve

PUBLIC HEARING:

After reviewing the Department of Transportation (KCDOT) report and accompanying attachments and exhibits, the Examiner conducted a public hearing on the matter on September 25, 2017, in the Fred Conference Room, 12th Floor, King County Courthouse, 516 Third Avenue, Seattle, Washington.

Participants at the public hearing and the exhibits offered and entered are listed in the attached minutes. A verbatim recording of the hearing is available in the Hearing Examiner's Office. Having reviewed the record in this matter, the Examiner now makes and enters the following:

FINDINGS AND CONCLUSIONS:

1. General information:

Road name and location:	Portions of 13th and 14th Avenues SW, Seattle
Area:	72,211.45 square feet
Compensation:	waived
2. The Department of Natural Resources and Parks, Parks and Recreation Division (Parks), petitioned the County to vacate the above described public rights-of-way. On September 11, 2017, the Examiner received KCDOT's Report recommending approval.
3. The required notice of hearing on KCDOT's report was provided. The Examiner conducted the public hearing on behalf of the Metropolitan King County Council.
4. Except as provided herein, the Examiner adopts and incorporates the facts set forth in KCDOT's report and proposed ordinance no. 2017-0322. KCDOT's report will be attached to those copies of this report and recommendation that are submitted to the County Council.
5. Maps showing the vicinity of the proposed vacation and the specific area to be vacated are in the hearing record as exhibits 4, 6, and 7.
6. Chapter RCW 36.87 sets the general framework for county road vacations, augmented by KCC chapter 14.40. There are at least two main inquiries in a vacation petition. Is vacation warranted? If so, what compensation is appropriate? We address those in turn.
7. A petitioner has the burden to show that the "road is useless as part of the county road system and that the public will be benefitted by its vacation and abandonment." RCW 36.87.020. "A county right of way may be considered useless if it is not necessary to serve an essential role in the public road network or if it would better serve the public interest in private ownership." KCC 14.40.0102.B. While denial is mandatory where a petitioner fails to meet the standard, approval is discretionary where a petitioner does meet the standard:

If the county road is found useful as a part of the county road system it *shall* not be vacated, but if it is not useful and the public will be benefited by the vacation, the county legislative authority *may* vacate the road or any portion thereof.

RCW 36.87.060(1) (emphasis added).

8. There is no question that the current rights-of-way are useless. At some undisclosed point, the three blocks straddling the rights-of-way were acquired for what was at one point White Center Park, renamed in 2007 as Steve Cox Memorial Park. Ex. 1 at 002. The rights-of-way are currently covered by a softball diamond, baseball outfield, a parking lot and perhaps a structure or two. Ex. 7 at 001. They are not used for access to any property nor necessary for the present or future public road system for travel or utilities purposes. Vacation would have no adverse effect on the provision of access and fire and emergency services to the abutting properties and surrounding area.
9. There is also no question that the public will be benefitted by this right-of-way's vacation and abandonment. The County is saved potential costs (as a property owner) from things like cleaning up illegal dumping on the property, from the general liability risk property ownership carries, and from the burden of managing such property. Although not quantified (see paragraphs 25–37), that risk seems even more acute given that this is a publicly-active park.
10. Where vacation is appropriate, we analyze the amount the petitioner must compensate the County as two-step analysis. We start with the “*appraised* value of the county right of way,” although the “Council may consider as a factor the *assessed* value of parcels adjacent to the County right-of-way.” KCC 14.40.0105.B.6 (emphasis added); KCC 36.87.120.A.1 (emphasis added). But that is only the starting point; a 2016 State law change allows local jurisdictions to “adjust the appraised value to reflect the value of the transfer of liability or risk, the increased value to the public in property taxes, the avoided costs for management or maintenance, and any limits on development or future public benefit.” RCW 36.87.120; KCC 14.40.020.A.1.
11. As to the starting value from which to consider any reductions, it is axiomatic that appraised values are typically more accurate than and superior to assessed values, and it is no accident that RCW chapter 36.87 discusses “appraisals” and “appraised values” and never employs “assessments” or “assessed values.” Yet in *Portage Right-of-Way-V-2672*, where KCDOT valued the right-of-way in relation to the *assessed* values of the private applicant's properties, we found that “justifiable” in that circumstance, because:

The code allows the “assessed land value of parcels adjacent to the County right-of-way” to be used in determining the appropriate compensation. KCC 14.40.020.A.1. In many scenarios, especially where little money is at stake, it is not worth the time or expense of a full appraisal. And thinking through the various permutations for how a surplus right-of-way might be joined to a pre-existing, abutting holding, one would surmise that if anything the value of abutting properties would be expected to be greater

[on a dollars-per-square-foot basis], not less, than the surplus right-of-way. So the public fisc seems protected by such an approach, and where an applicant believes the situation warrants the time, effort, and private cost of retaining an appraiser, the applicant can do so.¹

12. So assessed values may, at least in some instances, be an acceptable substitute for appraised values. To avoid needing to say “appraised (and/or assessed)” values for the remainder of this report, we will just use “appraised” as shorthand, without meaning to exclude assessed values.
13. KCDOT asserts, correctly, that rights-of-way do not have a readily open market, because they typically can only go to abutting property owners. Property interests may be more difficult to assess in thin markets (i.e. those with illiquid assets and low transaction volumes),² but that is not synonymous with saying that because rights-of-way cannot be sold to anyone but abutting property owners, rights-of-way have no value. Similarly, just because the right-of-way is not itself a buildable lot is relevant but not dispositive. In *Janshen–V-2667*, where the abutting private petitioner seeking to pay less to acquire the right-of-way than KCDOT appraised it to be worth made a similar argument, we rejected it thusly:

The premise of Ms. Janshen’s appraiser treating the road as an unbuildable, stand-alone parcel has some intuitive appeal but is ultimately incorrect and significantly undervalues the road area’s value.... The highest and best use of the road property is not as a “stand-alone,” marginal lot. Instead, it will become part of a single, contiguous, unencumbered Janshen homesite. Pegging the value of the road area to the overall Janshen property, and then comparing the Janshen property to sales of other single family lots, is correct.³

14. KCDOT reports that average assessed value of properties adjacent to the Park is approximately \$22.71 per square foot, which at 72,211.45 square feet of vacation area equates to \$1,639,922.03. KCDOT insists that this is the wrong starting point, asserting that the right-of-way has no value because it will continue to be used as a public park and cannot be sold to anyone else or used for anything more economic than a park.
15. Although KCDOT’s report here was significantly better flushed out than its materials in *King County Water and Land Resources Division (“WLRD”)–V-2669*, a matter Council tackled several weeks ago, KCDOT’s bottom line is the same: because a right-of-way now sits within a public project—in *WLRD* a natural resource area, here mostly ball fields—the right-of-way has no appraised value. We rejected that argument in *WLRD*,

¹ Available at http://www.kingcounty.gov/~media/independent/hearing-examiner/documents/case-digest/applications/road%20vacation/2017/V-2672_PortageRightOfWay_Report.ashx?la=en at ¶¶ 14–15.

² Thin markets come with their own appraisal hurdles. See, e.g., M. Junainah, M. A. Hishamuddin, & I. Suriatini, “The Existence and Implications of Thin Real Estate Market,” *Int’l J. of Trade, Economics & Finance*, Vol. 2, No. 5, October 2011, available at <http://www.ijtef.org/papers/134-S00045.pdf>.

³ Available at http://www.kingcounty.gov/~media/independent/hearing-examiner/documents/case-digest/applications/road%20vacation/2014/V-2667_Janshen.ashx?la=en at ¶ 13.

explaining that, at least since the late 19th century, properties acquired for public projects have been properly valued by *disregarding* decreases or increases in value attributable to the public projects for which the properties are acquired.⁴ The Council ultimately agreed on that score. Although we had “tepidly” agreed with KCDOT’s requested end result—entirely waving compensation—Council (properly) *reversed* us last month on that score, requiring the proponent of the natural resource area—the King County Flood Control District (who contracted for WLRD to do the work)—to compensate the Roads Fund. Ord. 18571. That seems consistent with RCW 43.09.210’s requirement that property being transferred from one department to another to be paid for at its true and full value.

16. Nevertheless, transferring the right-of-way from KCDOT to DNRP without any compensation to the Roads Fund here is potentially acceptable for three reasons.
17. First, although an examiner abides by the decisions of the Council as a whole, and not a particular councilmember, the committee chair stated during the public hearing on our recommendation in *WLRD* that what concerned him there was a vacation essentially involving a free transfer from the County to another government (the Flood Control District being a separate government entity). And that makes sense. Conversely, today’s case involves two purely County departments. Second, we wrote in *WLRD* that “[w]e do not pretend to fully grasp funding ‘pots’ and when it is okay for one County department to pay or not pay for something received from another County department,” our Court applies a “flexible definition of ‘true and full value,’” for purposes of RCW 43.09.210. *City of Tacoma v. City of Bonney Lake*, 173 Wn.2d 584, 592 269 P.3d 1017 (2012). So, as in *WLRD*, we still have no strong basis for rejecting (or approving) KCDOT’s and Park’s request for a waiver in the intra-governmental transfer context.
18. Third and most importantly, while neither party (nor we) focused on it in *WLRD*, and while neither party in today’s matter focused on it, one of the criteria RCW 36.87.120 lists as a justification for reducing the otherwise-required, full-value compensation is “any limits on development.” This is different from the KCDOT position we rejected in *WLRD* and the private applicant’s position we rejected in *Janshen*; those arguments related to synthesizing an appraised value in the first instance. Conversely, what RCW 36.87.120 is apparently getting at is that *once* that initial appraised value is arrived at, we may “adjust the appraised value [downward] to reflect...any limits on development.” RCW 36.87.120.
19. We say “apparently,” because we are not quite sure exactly what the legislature intended with this language. Limits on development should *already* be captured by a competent appraisal, as part of the appraiser’s “highest and best use” analysis. So, for example, in the *Hsi-V-2706* road vacation we reported on last week, the property surrounding the road was all Designated Forest Land; such property by definition has very severe limits on development. Thus, not surprisingly, the average appraised value of the abutting property in *Hsi* was less than three cents per square foot, which if applied to the entire 25,165 square foot right-of-way would have only amounted to an appraised value of a paltry

⁴ Available at http://www.kingcounty.gov/~media/independent/hearing-examiner/documents/case-digest/applications/road%20vacation/2017/V-2669_KingCountyWaterAndLandResourcesDivision.ashx?la=en.

\$730.⁵ But that was the appraised value itself; it would be absurd if the legislature meant to double count and reduce compensation to reflect the identical limits on development that were previously taken into account in the appraisal.

20. We thus do not know quite what the legislature was driving at, and reading the legislative history of S.S.B. 6314 provides little of use. We did learn that the original Senate bill listed those factors (transfer of liability or risk, et al.) as items the “appraising agency” (KCDOT) could use in the initial valuation, while the House amended this to recast those factors as items the board (here, Examiner and Council) could use to adjust the valuation that comes out of the appraising agency. Wash. H.R. Amend., 2016 Reg. Sess. S.B. 6314; 6314-S AMH LG JONC 091. Yet that still tells us little about what “limits on development” would not already be captured by a competent appraisal. The committee reports shed no other light on the topic.
21. Even without clear guidance, we apply the statutory construction canon that “no part of a statute should be deemed inoperative or superfluous unless it is the result of obvious mistake or error,” *Filo Foods, LLC v. City of SeaTac*, 183 Wn.2d 770, 787, 357 P.3d 1040 (2015). We thus start with the presumption that the category must have some sensible application. Avoiding the mistake of double counting, and putting our most creative hat on, we search for some type of limit on development that would *not* have already been captured by the appraisal. We can envision an application in the public park context.
22. For the typical right-of-way that can be assembled into the adjacent *private* parcel, the private parcel has an appraised value, and adding acreage to the private parcel increases that appraised value; any limits on private development would already be incorporated by a sound appraiser into that initial appraisal. But a right-of-way in a public park may be conceptually different; neither the right-of-way nor the park that the right-of-way will merge into has an appraised value. As explained at length in *WLRD*, properties acquired for public projects should be valued by disregarding decreases or increases in value attributable to the public projects for which the properties are acquired. Because KCDOT did not speak up and demand compensation when the acquiring government agency was buying out *other* property interests to create the natural resource area in *WLRD* or the park today, doing so decades later can be problematic.⁶
23. Thus public acquisitions may be an appropriate scenario for adjusting the appraised value to reflect any limits on development.⁷ Our interpretation is a bit of a stretch we recognize, and if anyone else has a better idea for what the language means, we would be appreciative. But it seems a defensible basis for waiving compensation.

⁵ *Hsi* involved a transfer in-lieu of a larger, adjacent swath, which complies with KCC 14.40.020.B’s allowance that the County “may accept real property of equal or greater value in lieu of cash compensation.” Thus *Hsi* did not require any more detailed compensation analysis. And, to be precise, *Hsi* involved an assessed value, but as we noted in paragraph 12, for simplicity’s sake we are using “appraised” in today’s discussion.

⁶ Neither party included any information on when the land was acquired for White Center Park, but it is at least older than 2007, when the pre-existing park was re-named Steve Cox Memorial Park.

⁷ In paragraph 33, we offer a hypothetical that might fit the bill even for a vacation involving private ownership.

24. In the end, while Council may want to take our recommendation off the consent agenda and study it, we think KCDOT transferring the right-of-way to Parks without compensation is probably appropriate here. Our greater concern, however, is with the approach KCDOT adopted here and the coming showdown it portends for future vacations where private interests will be acquiring public rights-of-way.
25. Over the many months since the County's 2016 ordinance (18420) explicitly incorporated RCW 36.87.120's allowed reductions, we have repeated to KCDOT our expectation that it craft some model to quantify a requested reduction. As we phrased it in our August 28 notice of hearing here, "what we expect from KCDOT is some sort of robust model to quantify potentially appropriate reductions, reduced to an actual dollar value." Perhaps we should have phrased it more simply, as one of our elementary school math teacher phrased it to us: "Show your work." In any event, our message apparently did not register, as we received an eloquent *qualitative* explanation for a waiver here, but no solid *quantitative* proposal for how to calculate that reduction.
26. Suppose we found that \$1,639,922 (as measured by the assessed values of properties adjacent to the park) was the appropriate starting value here, and we then tried to calculate an RCW 36.87.120-based request to reduce this otherwise-applicable compensation figure. We would need to come up with dollar amounts to downwardly adjust this \$1,639,922 figure to account for (1) the transfer of liability or risk, (2) the increased value to the public in property taxes, (3) the avoided costs for management or maintenance, (4) any limits on development, and (5) future public benefit. RCW 36.87.120; KCC 14.40.020.A.1.
27. As found in paragraph 9, concepts KCDOT has advanced here (like avoiding liability for somebody injured on the right away, or avoiding having to manage the area, or avoiding the specter of illegal dumping on KCDOT property) are probably sufficient to support a finding that the vacation is in the public interest. But public interest is a *conceptual* analysis. In contrast, compensation—and any reduction of the appraised value—is a *calculation*. We need actual numbers and a thorough understanding of how those numbers were arrived at. A qualitative analysis can enhance, but is no substitute for, a quantitative analysis. We now turn to the five reduction factors in RCW 36.87.120.
28. As to transferred liability or risk, KCDOT states that Risk Management paid out just over \$3 million to resolve Roads-related claims in 2016. Ex. 1 at 006. That gives us a snapshot of *total* liability for the *entire* 1,500-mile County roadway system for a single year, but provides no way to translate that into a dollar amount to assign to liability-reduction for today's vacation.
29. We could attempt our own crude, back-of-the-envelope-calculations: if 1,500 miles equates to 7,920,000 linear feet, and the typical right-of-way is 60 feet wide, there are something approximating 475,200,000 square feet of total County right-of-way. Spreading the \$3 million liability across the entire system, we could estimate average liability at \$0.0064 per square foot in 2016. For the 72,211 square feet in play here, that would equate to just under \$460 in average expected avoided liability costs. But 2016 might be an outlier, and of course, that is only one year—one would need to reduce

expected future claims to a net present value. And there might be different multipliers to assign to different categories of rights-of-way. For example, one would expect the well-traveled park in today's case to have a higher likelihood of claims than a forested right-of-way in a remote area in our most recent road vacation recommendation, *Hsi-V-2706*. KCDOT has smart financial people; we leave it to them to come up with some model for calculating risk reduction. But we reiterate again that we will need something quantifiable for a future acquisition by a private petitioner.

30. The increased value to the public in property taxes where the right-of-way is transferred to private ownership should be a simpler calculation—taking the tax bill of the parcel into which the right-of-way will merge, estimating the increase enlarging the parcel will create (presumably on a square foot basis), and doing the math to reduce the additional, expected future tax stream to a net present value. Earlier this year the Council, via Motion 14803, adopted the Office of Performance, Strategy and Budget's (PSB's) May 2016 "Comprehensive Financial Management Policies." In that document, PSB devotes an entire section to discount rate policy. So this is not an exercise KCDOT needs to manufacture from whole cloth; PSB has done some of the legwork already.
31. As to the avoided costs for management or maintenance, we presume KCDOT can figure out how much it spends each year on this over its entire roadway system, can divide this by dollars saved per square foot, and come up with a net present value for those savings. Again creating subcategories such as open, maintained roads (which presumably would require more management and maintenance) versus unimproved rights-of-way (on which KCDOT presumably spends little per square foot) might improve accuracy.
32. As analyzed in paragraphs 18–22, adjusting "the appraised value to reflect...any limits on development," is a bit of an odd duck, because most such limits should already be captured in the appraised value. We can envision, however, one scenario that might fly in the private acquisition context.
33. Normally, if a right-of-way is essentially disappearing and merging into the larger (private) parcel, that parcel would have an appraised value enhanced by the additional acreage. But the code contemplates that a county right-of-way may be vacated if the right-of-way "would better serve the public interest in private ownership." KCC 14.40.0102.B. Thus for example, if there were a limit on the to-be vacated right-of-way such that it will remain a private easement or road, that restriction might *not* necessarily be captured by an appraisal of the larger parcel, and so might be the type of adjustment to the appraised value the legislature was getting at. Again, we are not sure what the statutory language means, and we would be receptive to further analysis of this portion of RCW 36.87.120.
34. Future public benefit is the final category. If KCDOT can explain how it calculates a dollar figure to assign to this, we will be all ears. We have noted before that where the road is something KCDOT has actively wanted to jettison (such as an isolated, troublesome road, perhaps serving only one property) and not the more traditional scenario of a private petitioner looking to acquire additional property (where the appearance of a gift of public property would be higher), perhaps one could legitimately

assign some multiplier to apply to the KCDOT-initiated scenario. We leave that calculation, in the first instance, to KCDOT.

35. It will undoubtedly take KCDOT significant effort to initially craft (or to work with PSB to craft) a model that generates transparent, defensible numbers for when KCDOT seeks to abandon public rights-of-way to private ownership. And a future private party might assert its own approach or critique. But we will at least have established a quantifiable *default* approach to handling RCW 36.87.120 that the Council can reasonably rely on. Once established, in future cases petition-specific numbers (such as square footage of the right-of-way to be vacated, assessed value of the abutting property, etc.) could be plugged in to that formula without undue burden, or at least without having to reinvent the wheel each time.
36. KCDOT has a goal of proactively jettisoning superfluous rights-of-way. Ultimately, that is a policy choice the Council will need to weigh, but nothing necessarily sounds unreasonable about that. KCDOT may or may not be able to get from Point A to Point B, but what KCDOT cannot do is try to get to Point A to Point B by trying an end-around that avoids showing how it quantified the dollar figures to attach to reduced liability risk, reduced maintenance, increased taxes, and added public benefit. While the meaning of adjusting “the appraised value to reflect...any limits on development” discussed in paragraph 18–22 and 32–33 could benefit from some extra lawyering and policy analysis, the quantitative model itself will require enlisting technical experts at KCDOT (and/or at PSB), whom we are confident are up to the task.
37. Our requiring a more rigorous quantitative analysis will (until KCDOT can craft a justifiable formula to calculate RCW 36.87.120’s reductions) place a speed bump on KCDOT’s push to divest the road system of rights-of-way. But it need only be a temporary hurdle. As we made crystal clear at last week’s hearing, we will not be a rubber stamp. If we receive a future petition involving a right-of-way to be vacated into private ownership, where KCDOT seeks a RCW 36.87.120-based reduction from the appraised-value level or a complete waiver of compensation, yet is not prepared to present a detailed methodology to quantify and calculate those requested reductions, we will remand the petition back to KCDOT to come up with something more defensible, some model where we can follow the math.⁸ So really the issue is the *timing* of that necessary work; as the legendary coach John Wooden asked, “If you don’t have time to do it right, when will you have time to do it over?” Better now than later.

RECOMMENDATION:

1. Our recommendation to Council is that today’s vacation in favor of Parks is likely acceptable even with a complete waiver of compensation to the Roads Fund. We thus recommend that Council APPROVE proposed ordinance no. 2017-0322.

⁸ *Hsi*, reported on last week and discussed above in paragraph 19, essentially involved a land swap; there was no adjustment to the appraised value. See KCC 14.40.020.B (County “may accept real property of equal or greater value in lieu of cash compensation”).

2. We assure Council that in future cases involving vacations to private ownership, we will not send up a recommendation to Council unless we can vouch for a transparent explanation, tracking the math, for how we quantified a conclusion to partially or fully waive compensation, thus ensuring that Council will not inadvertently be gifting public property interests.

DATED October 3, 2017.



David Spohr
Hearing Examiner

NOTICE OF RIGHT TO APPEAL

A person appeals an Examiner recommendation by following the steps described in KCC 20.22.230, including filing with the Clerk of the Council a sufficient appeal statement and a \$250 appeal fee (check payable to the King County FBOD), and providing copies of the appeal statement to the Examiner and to any named parties listed on the front page of the Examiner's recommendation. Please consult KCC 20.22.230 for exact requirements.

Prior to the close of business (4:30 p.m.) on **October 27, 2017**, an electronic copy of the appeal statement must be sent to Clerk.Council@kingcounty.gov and a paper copy of the appeal statement must be delivered to the Clerk of the Council's Office, Room 1200, King County Courthouse, 516 Third Avenue, Seattle, Washington 98104. Prior mailing is not sufficient if the Clerk does not actually receive the fee and the appeal statement within the applicable time period.

Unless the appeal requirements of KCC 20.22.230 are met, the Clerk of the Council will place on the agenda of the next available Council meeting a proposed ordinance implementing the Examiner's recommended action.

If the appeal requirements of KCC 20.22.230 are met, the Examiner will notify parties and interested persons and will provide information about "next steps."

**MINUTES OF THE SEPTEMBER 25, 2017, HEARING ON THE ROAD VACATION
PETITION OF KC DEPARTMENT OF NATURAL RESOURCES AND PARKS,
DEPARTMENT OF TRANSPORTATION FILE NO. V-2703**

David Spohr was the Hearing Examiner in this matter. Participating in the hearing were Leslie Drake for King County Department of Transportation, Roads Services Division and Trishah Bull for the Petitioner.

The following exhibits were offered and entered into the hearing record:

- | | |
|----------------|---|
| Exhibit no. 1 | Roads Services report to the Hearing Examiner, sent September 11, 2017 |
| Exhibit no. 2 | Letter from Clerk of the Council to KCDOT transmitting petition, dated July 15, 2016 |
| Exhibit no. 3 | Petition for vacation of a county road, transmitted July 15, 2016 |
| Exhibit no. 4 | Vicinity map |
| Exhibit no. 5 | Map of plat of State addition to the City of Seattle no. 5 |
| Exhibit no. 6 | Map of proposed right-of-way vacation |
| Exhibit no. 7 | Aerial map of proposed right-of-way vacation |
| Exhibit no. 8 | Final agency notice, dated August 19, 2016, with a deadline for response of September 19, 2016 |
| Exhibit no. 9 | Letter from KCDOT to Petitioner recommending approval and waiver of compensation, dated November 14, 2016 |
| Exhibit no. 10 | Letter from KCDOT to KC Council recommending approval, dated November 14, 2016 |
| Exhibit no. 11 | County road engineer report, dated March 6, 2017 |
| Exhibit no. 12 | Letter from King County Executive to Councilmember Joe McDermott with ordinance, dated June 27, 2017 |
| Exhibit no. 13 | Proposed ordinance no. 2017-0322 |
| Exhibit no. 14 | Fiscal note, reviewed June 20, 2017 |
| Exhibit no. 15 | Affidavit of posting, noting posting date of August 31, 2017 |
| Exhibit no. 16 | <i>Reserved for future submission of affidavit of publication</i> |

DS/vsm